



Environmental Services Division
Energy and Waste Management Bureau

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MEMORIAL DAY WEEKEND TO BRING HIGHER GAS PRICES AS THE SUMMER DRIVING SEASON GETS UNDERWAY

DES MOINES --Higher gasoline inventories and lower crude oil prices have helped bring gas prices down in Iowa in recent days. However, analysts predict gas prices will again climb higher as the Memorial Day weekend approaches, signifying the beginning of the summer driving season.

According to Tami Foster, energy data analyst for the DNR, gas prices could jump as much as 10 cents per gallon over the Memorial Day weekend. However, according to analysts, summer gasoline prices may not be as high as some might think.

“Barring any supply disruptions or world events that could cause the price of crude oil to climb, we could see prices this summer similar to what we’ve been seeing the past few weeks,” said Foster.

According to analysts with the Energy Information Administration (EIA), while gas prices during the heart of the vacation season will be higher this year than last, gas prices are predicted to average 34 cents per gallon over last year’s 12-month average. In Iowa, that means prices could be in the \$2.50-2.70 range per gallon.

According to EIA, the average added fuel cost for a 500-mile round trip vacation in a typical vehicle that averages 20 miles per gallon would be about \$8.50.

Ongoing unrest in Iran and Nigeria as well as the upcoming Gulf of Mexico hurricane season will continue to influence prices over the summer.

U.S. Department of Energy data released last week showed the supply of gasoline rose for the third straight week as refineries increased production after scheduled spring maintenance. The department said U.S. gasoline demand over the past four weeks was 9.2 million barrels per day or about even with the same period last year.

The DNR’s monthly fuel prices survey showed regular unleaded prices continued to climb across Iowa, averaging about 8 cents per gallon higher than last month and about 37 percent higher than a year ago.

Iowa retailers reported the highest monthly sales volume for E85 with more than 137,000 gallons sold in April 2006. The previous record was 110,087 gallons sold in March 2006. So far this year, more than 419,000 gallons have been sold as compared to 114,582 gallons sold for the same time period in 2005. E85 is a blend of 85 percent ethanol and 15 percent gasoline and can be used in flexible fuel vehicles. For a complete list of E85 stations in Iowa, visit http://www.iowadnr.com/energy/renewable/ethanol_sites.html

The latest data also shows that E10, a blend of 10 percent ethanol and 90 percent gasoline, represented 72 percent of all retail gasoline sold in Iowa in March 2006. All auto manufacturers warrant the E10 blend for use.

Motor Fuels Survey State Average Price Per Gallon

Self-Serve	4/17/06	5/15/06	Difference 4/15 to 5/17	4/15/05	% Difference 2005 to 2006
Regular Unleaded with 10% Ethanol	2.65	2.78	+0.13	1.98	+40%
Regular Unleaded	2.71	2.79	+0.08	2.03	+37%
Premium Unleaded	2.80	2.85	+0.05	2.10	+35%
Diesel	2.72	2.88	+0.16	2.17	+32%

Source: Oil Price Information Service, www.opisnet.com

10% Ethanol Average Retail Price Per Gallon

-- Major Iowa Cities

	4/17/06	5/15/06	Difference
Ames	2.66	2.80	+0.14
Cedar Rapids	2.65	2.78	+0.13
Council Bluffs	2.65	2.70	+0.05
Davenport	2.67	2.83	+0.16
Des Moines	2.67	2.58	-0.09
Dubuque	2.66	2.80	+0.14
Fort Dodge	2.63	2.73	+0.10
Iowa City	2.65	2.78	+0.13
Sioux City	2.67	2.79	+0.12
Waterloo	2.65	2.75	+0.10
Webster City	2.67	2.76	+0.09
Average Metro Price	2.65	2.78	+0.13

Source: Oil Price Information Service, www.opisnet.com

E85 Monthly Statewide Average Retail Price Per Gallon

March 2006	April 2006	Difference March 2006 to April 2006	April 2005	Difference April 2005 to April 2006	% Difference April 2005 to April 2006
2.11	2.33	+0.22	1.81	+0.52	+29%

Source: Retail stations

Heating Fuels Survey

	4/17/06	5/17/06	Difference
Natural Gas	7.60 (4/18)	6.08	-1.52
Propane	1.46	1.48	+0.02
#2 Heating Oil	2.36	2.52	+0.16

Sources: Wall Street Journal, Iowa Department of Natural Resources